

## **REMARKS**

### **Revisions to the Specification**

The Examiner rejected previously pending claims 1-28 under 35 U.S.C. § 101 based on the description on page 14 of the specification, in which the machine-readable medium was described as encompassing a carrier wave that encodes a data signal. In response, Applicant has amended the specification to remove the reference to a carrier wave that encodes a data signal.

### **Rejections under 35 U.S.C. § 101**

The Examiner rejected previously pending claims 1-28 under 35 U.S.C. § 101 stating that the claimed invention is directed to non-statutory subject matter. Specifically, the Examiner contended that the claim language of independent claims 1, 8, 15 and 22 do not claim a practical application or provide a useful, concrete and tangible result.

Applicant has amended independent claims 1, 8, 15 and 22 to specify that a quantized stream of data is generated by applying the selected finite mixture model to a data stream. Quantization of data has well-known practical applications in, for example, data compression. Because generating a quantized stream of data is a useful, concrete and tangible result, Applicant respectfully submits that claims 1-28 are statutory and requests the withdrawal of the rejection of the claims under 35 U.S.C. § 101.

### **Allowable Subject Matter**

Applicant thanks the Examiner for indicating that previously pending claims 5, 12, 19 and 26 contain allowable subject matter if rewritten to include all the limitations of the claims from which they each originally depended. Independent claims 1, 8, 15 and 22 have been amended to incorporate the subject matter of claims 4-5, 11-12, 18-19 and 25-26, respectively. Claims 4-5, 11-12, 18-19 and 25-26 have been cancelled without prejudice. In view of these amendments, Applicant respectfully submits that independent claims 1, 8, 15 and 22, and claims that depend from them, are now in condition for allowance.

### **SUMMARY**

Claims 1-3, 6-10, 13-17, 20-24 and 27-28 are currently pending. In view of the foregoing amendments and remarks, Applicant respectfully submits that the pending claims are in condition for allowance. Applicant respectfully requests reconsideration of the application and allowance of the pending claims.

If the Examiner determines the prompt allowance of these claims could be facilitated by a telephone conference, the Examiner is invited to contact Sue Holloway at (408) 720-8300 x3476.

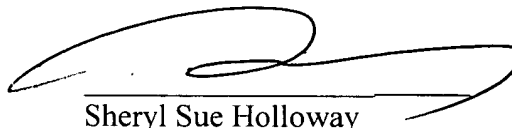
### **Deposit Account Authorization**

Authorization is hereby given to charge our Deposit Account No. 02-2666 for any charges that may be due. Furthermore, if an extension is required, then Applicant hereby requests such extension.

Respectfully submitted,

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& ZAFMAN LLP

Dated: DEC. 13, 2006



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